



2025 CLIMATE REPORT

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Executive Summary

Brigade Capital Management, LP (“Brigade”) is a well-established global investment advisor specializing in credit-focused strategies.

DISTINGUISHED TEAM

Led by CIO & Managing Partner, Donald Morgan, who has 32 years of leveraged finance experience

Senior investment team has 23 years of experience, on average

INVESTMENT FOCUS

Global investment platform focused on below investment grade credit strategies

Fundamental research process emphasizing free cash flow, asset coverage and relative value

BRIGADE EDGE

Disciplined investment process proven over numerous market cycles

Seasoned investment team with significant industry-specific experience

ORGANIZATION

2006

Year the firm was founded

\$30.2bn

Assets Under Management¹

108

Total number of employees globally

28

Equity partners across the employee-owned firm

49

Investment professionals with significant industry-specific expertise

PROGRAM TIMELINE



Continued climate reporting and preparation for new PRI framework

Phase III of ESG Scoring System Complete

First Climate Report Published

Formalization of dedicated ESG Resource

Phase II of ESG Scoring System Complete

ACA partnership for reporting and program support

Phase I of ESG Scoring System Complete

MSCI Partnership for ESG analytics

Signatory to the PRI

Formal ESG Policy Drafted

ESG Committee formed

¹As of April 1, 2026.

INTRODUCTION

Brigade Capital Management, LP (“Brigade”), founded in 2006, is a global asset management firm which employs a multi-strategy, multi-asset-class approach to investing across the broad credit universe.

Brigade seeks to invest throughout the capital structures of companies in the high yield universe, relying on a fundamental, bottom-up research approach to identify securities with the most attractive risk/return profiles. We believe that the consideration of all applicable risks that may impact risk/return profiles of the investments we make, including climate-related risk is an integral component of our fiduciary responsibility to our clients.

Climate-related risks – specifically physical and transition risks – have the potential to disrupt businesses, supply chains, and workforces across economies. As a result, a global push for an energy transition has occurred over the last two decades and is shaping the century ahead. There is a growing consensus that the consideration of climate-related risks is not solely a “nice-to-have,” but an essential component, alongside others, in assessing overall investment risk.

We will seek to identify whether and how negative impacts to the environment, climate-related risks and other influences climate change may have ramifications on our business and investments. We will strive to align to best practices/frameworks to reduce our carbon footprint and report metrics whenever possible.

Brigade continues to make progress towards supporting the Task Force on Climate-Related Financial Disclosures’ (“TCFD”) recommendations¹. We aim to provide transparency into how climate change is affecting our investment decision-making process. We understand it will take time to build a program around full support, however we continue to make enhancements. In this report, we seek to disclose where and how these risks shape our investment processes and the steps we have taken as a firm over the past year to address climate matters directly linked to our business.



¹Brigade acknowledges that in October 2023, the TCFD was officially disbanded by the Financial Stability Board (“FSB”) and tasked the IFRS Foundation to pick up the monitoring and progress of climate-related disclosures. The IFRS has released the IFRS S2 Climate-related Disclosures, which adopt the TCFD recommendations and provide additional guidance for disclosure of climate-related risks and opportunities. Brigade seeks to continue disclosing in alignment with the TCFD recommendations and will reference the IFRS S2 standards for additional disclosure guidance.

GOVERNANCE

Addressing climate-related risks and opportunities requires a firm-wide effort, which is why climate change and other ESG factors are overseen by Brigade’s highest governing body. Brigade’s business oversight is handled by the Operating Committee, a group of senior investment and non-investment professionals from across the firm.

Under the direction of management, Brigade formed an ESG Committee (the “ESG Committee”) in 2019. The ESG Committee is responsible for overseeing Brigade’s firmwide ESG efforts and comprised of key decision makers across the firm, including Portfolio Management, Research, Legal, Risk, Investor Relations and Technology. The ESG Committee formally meets on a quarterly basis with more frequent meetings held as needed. The ESG Committee is chaired by the Firm’s Co-CIO.

The ESG Committee monitors climate risk of the firm’s business operations as well as its investment portfolios. The ESG Committee aims to assess the firm’s climate risk at least biennially through a physical risk assessment which may have influence over annual updates to Brigade’s Disaster Recovery and Business Continuity Policies. Additionally, Portfolio monitoring reports are compiled on a quarterly basis and provided to the ESG Committee. If a material change in ESG metrics, including carbon footprint or portfolio ratings, is noted, the ESG Committee may alert the Portfolio Manager or analyst of the change.

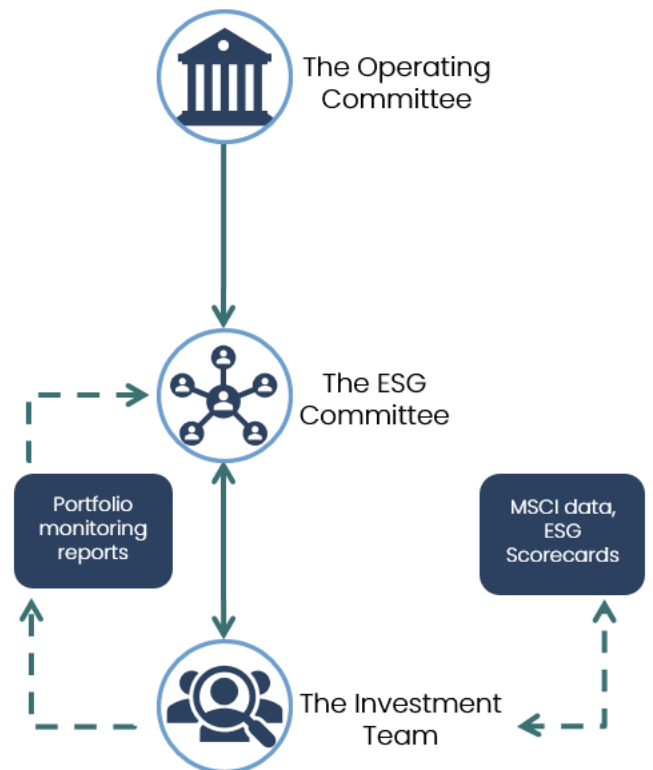
This portfolio monitoring system includes overall MSCI ESG portfolio ratings or “Overall Scores”. Similar to Brigade’s internal ESG Scorecard, MSCI’s Overall Score is compiled using an issuer’s individual environmental, social, and governance scores and is adjusted to reflect the industry-specific level of ESG risk exposure and distribution of issuer climate risk mitigation practices, within that industry. The environmental score indicates how well an issuer manages its exposure to environmental risks and opportunities.

The ESG Committee provides guidance and oversight to ensure consistent and high-quality implementation of Brigade’s ESG Program. As an organization, we continue to build upon repeatable processes that can be applied across our platform in a consistent manner.

Implementation of our ESG Policy within the investment process is the responsibility of the Investment Team. Portfolio managers and analysts are responsible for analyzing each of their covered issuers to determine key ESG factors and risks as well as their materiality.

Additionally, Tara Lenehan serves as Brigade’s Director of ESG and Sustainability and is tasked with maturing and stewarding Brigade’s ESG program, including how climate considerations are taken into account and addressed within specific client requests. As deemed necessary, the ESG Committee serves as a forum for providing ad hoc ESG and climate-related training to the broader Brigade team.

COLLABORATIVE FLOW



¹Brigade acknowledges that in October 2023, the TCFD was officially disbanded by the Financial Stability Board (“FSB”) and tasked the IFRS Foundation to pick up the monitoring and progress of climate-related disclosures. The IFRS has released the IFRS S2 Climate-related Disclosures, which adopt the TCFD recommendations and provide additional guidance for disclosure of climate-related risks and opportunities. Brigade seeks to continue disclosing in alignment with the TCFD recommendations and will reference the IFRS S2 standards for additional disclosure guidance.

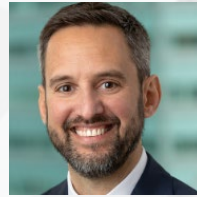
THE BRIGADE OPERATING COMMITTEE

Brigade established an Operating Committee led by Don Morgan (Chief Investment Officer, Managing Partner and Portfolio Manager), which includes senior leadership across business units that allows for the ability to discuss all firm related initiatives on a regular basis.

Brigade's Operating Committee is responsible for overseeing Brigade's operations as well as the firm's other committees. It serves as the main governing body for strategic initiatives and is the critical decision-making group of the firm. Members include:



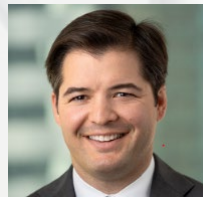
Donald Morgan
*Chief Investment Officer,
Managing Partner and
Portfolio Manager*



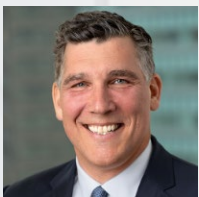
Aaron Daniels
*Chief Legal Officer &
Chief Operating
Officer*



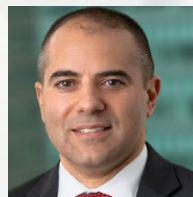
Doug Pardon
*Co-Chief Investment
Officer, Portfolio Manager*



Joseph Turilli
Head of Marketing



Steven Bleier
*Co-Chief Investment
Officer*



Patrick Criscillo
Chief Financial Officer

THE BRIGADE ESG COMMITTEE

Chaired by Doug Pardon, Co-Chief Investment Officer

Brigade is committed to the consideration of environmental, social, and governance (“ESG”) factors and the impact it has on our clients’ investments, our company culture, and our planet.

We believe that ESG considerations are an integral part of our fiduciary duty and ethical responsibility and that it will assist Brigade in evaluating material risks and identifying attractive opportunities.



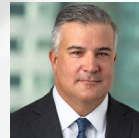
Ray Garson
Head of Corporate Credit
Research



Robert Lefkowitz
Head of Risk



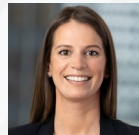
Gregory Soeder
Head of Portfolio Strategy



Andrew Petitjean
Global CLO Portfolio Manager



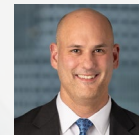
Aaron Daniels
Chief Legal Officer & Chief
Operating Officer



Emily Keinz
Managing Director, Portfolio
Analysis & Trading



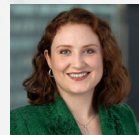
Daniel Altabef
Chief Compliance Officer,
Counsel



Matthew Plaveczyk
Managing Director, Investor
Relations



Jason Shuey
Chief Technology Officer



Tara Lenehan
Director, ESG and Sustainability



Doug Pardon
Co-Chief Investment Officer



Brigade Investment Team

Brigade's investment strategies are supported by substantial credit research and trading expertise.

INVESTMENT COMMITTEE

Donald E. Morgan III, CFA*
 CIO, Portfolio Manager, Managing Partner
 32 Years

Doug Pardon*	Steven Bleier*	Gregory Soeder, CFA*	Andrew Petitjean, CFA*	Thomas O'Shea* ²	Jenny Y. Lee*	Raymond Garson*	Patrick Robb*	Gaurav Tejwani*
Co-CIO, Portfolio Manager	Co-CIO, Portfolio Manager	Head of Portfolio Strategy	Global CLO Portfolio Manager	PM, Head of European Investments	Co-Head of Private Credit	Head of Corporate Credit Research	Research	Macro Products & Derivatives
24 Years	27 Years	28 Years	31 Years	29 Years	32 Years	31 Years	13 Years	24 Years

GLOBAL CREDIT RESEARCH

Kunal Banerjee, CFA* Chemicals	John Baylis* Media & Cable	Chris Chaiçe* Head of Distressed Research	Luc-Antoine Lebard* ² European Tech Media & Telecom
Matthew Perkal* Head of Special Situations & SPACs	Sumit Sablok* Technology & Telecom	Sandro Carissimo* Energy	Florian Kass, CFA ² European Business Services
Pavlin Kumchev ² European Healthcare & Industrials	Matthew D'Ambrisi Media & Telecom	Conor Dillon Homebuilders & Building Products	Tommy Anderson Healthcare
Nicholas Chapman Financials	Christopher Lembo Energy, Power, Metals & Mining	Phil Shannon Consumer & Retail	Alexander Zwick Technology & Telecom

STRUCTURED CREDIT

Michael Kreicher* CRE/CMBS	Justin Pauley* CLO Management	Philip Ha CLO Investing
Jess Wang RMBS	Taylor Harris, CFA ABS	Byron Maturro, CFA Macro Credit
Caitlin Blaney CLO Management	Marco Gomez-Wong CLO Investing	Louis Lou Macro Credit
Melissa Cui Volatility Products		

RISK & TRADING

Russ DiMinni* Co-Head of Trading	Michael Walker* Co-Head of Trading
Rob Lefkowitz, CFA, CAIA, FRM* Head of Risk	Tom Eardley, CFA ² European Trader
Emily Keinz Portfolio Analytics & Trading	Michael Bennett Trader

PRIVATE CREDIT

Jim Wolf* Co-Head of Private Credit	Philip DiPasquale Director
Hue Vuong Director	Andy First Director
Diego Campos Vice President	Kai Aronson Associate
Matthew O'Brien Associate	

*Indicates Firm Partner.

¹Reflects years of relevant industry experience.

²Located in the London office.

There is no assurance that any individual will continue to be employed by Brigade or be involved in the management of any transaction for any period.

Business & Operations Team Structure

Aaron Daniels*
Chief Legal Officer, Chief Operating Officer



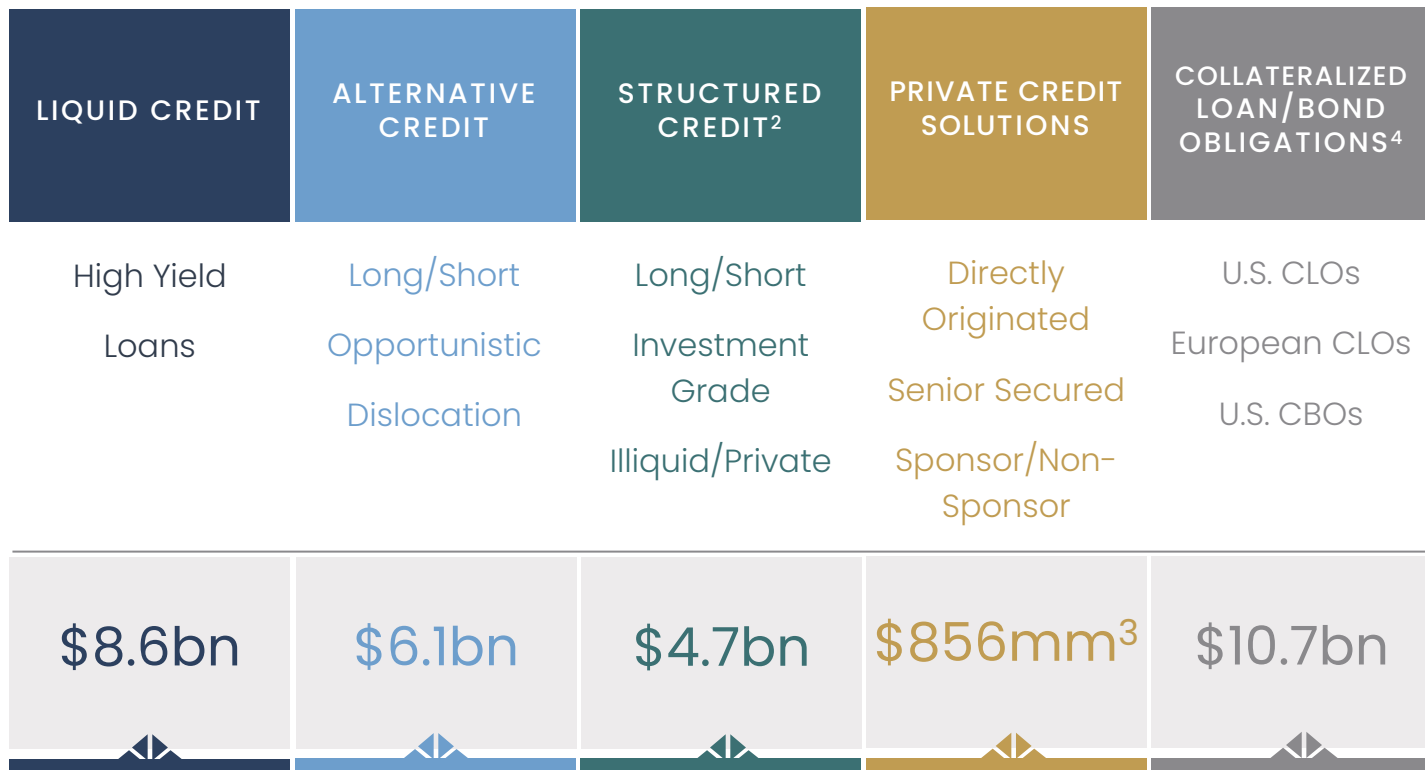
*Indicates Firm Partner.

¹ Located in the London office.

There is no assurance that any individual will continue to be employed by Brigade or be involved in the management of any transaction for any period

The Brigade Credit Platform

Brigade offers credit solutions with centralized portfolio management and a consistent investment process managed by the same investment team across the Brigade credit platform.



AUM is as of April 1, 2026.

¹Total Firm AUM is adjusted to exclude AUM of Brigade funds/accounts that are invested in Brigade managed CLOs.

²Excludes structured credit positions held in funds categorized as Liquid and Alternative Credit Strategies/accounts that are invested in Brigade managed CLOs.

³This figure represents committed capital to the strategy as of December 31, 2025. Assumptions and projections are speculative in nature, and it can be expected that some or all of the underlying assumptions will not materialize or will vary significantly from actual results, and such variations may be material.

⁴Includes 20 U.S. CLOs, 8 European CLOs and 2 U.S. CBOs.

STRATEGY

Brigade offers a broad range of investments across the credit spectrum. Investors can access our credit strategies through commingled funds or separately managed accounts. Brigade has historically employed a bottom-up fundamental credit research approach that considers both quantitative and qualitative factors as it assesses the ability of an investment to perform across business cycles and changing regulations. As a part of the overall investment decision-making process, Brigade considers material ESG factors in its fundamental research process, leveraging external ESG data, in-house qualitative assessments, and, where we have influential positions, the ability to engage with management teams to identify potential material risk factors. Insofar as climate-related risks are identified as material and pertinent to an investment, such risks are approached in terms of how the Investment Team believes identified risks may have the potential to impact the returns on a given investment.

Issuers receive a Brigade ESG Scorecard based on series of standardized questions created by the Investment Team to determine a baseline of ESG risk associated with each company. Each industry carries more/fewer risks across the E, S, and G categories depending on the nature of its operations and what services or products it provides. The ESG Scorecard analysis conducted will vary from investment to investment, depending on factors such as the investment's relevant asset class, industry, geography, and position within the capital structure.

Just as each characteristic of an investment outlined above helps determine which ESG issues are material, they also dictate the extent to which those material ESG issues are weighted in the investment process, how much time is spent on their consideration, and how relevant ESG data is obtained and evaluated.

Where climate-related risks may be deemed material to an issuer or issuance, Brigade seeks to ensure that the risk/return profile of the potential investment accurately reflects such climate risks. Ultimately, ESG considerations inform our decision making, but it is important to note that this is one of many qualitative and quantitative inputs into our investment process, not a primary objective.

Investments are regularly monitored for ESG-related risks through review of financials and other disclosures and through the engagement process.

There may be instances in which the identified ESG risk is appropriately reflected in the price of an issue. In this case, we may invest despite climate risk concerns and later seek to mitigate these risks through engagement. If a material risk is identified that is believed to impact a company's long-term performance, the Investment Team will aim to directly raise the issue with the company's management team or board of directors to help address the issue.

The standard holding period of Brigade's investments will vary by asset class and strategy. Within the context of most climate-related risks, as Brigade's strategy is trading-oriented and primarily focused on maintaining liquidity, the typical holding period of an investment may generally be categorized as relatively short-term in nature (i.e., less than several years). Brigade's typical holding period may average from less than one year to a year and a half (Brigade may hold exposure to the same issuer over multiple issuances, constituting multiple holding periods); several longer-term (several years) holdings may exist when Brigade is dealing with restructurings or distressed opportunities. The primary exception to the aforementioned timeframes is Brigade's private credit strategy, which typically invests in companies for five to seven years.

As a fixed income investor, Brigade is especially conscious of repayment risk, and given our investment focus and typical holding periods, we may focus on those climate-related risks that are most likely – in the opinion of our investment professionals – to carry greater financial significance in the near-term, such as a company's response to a severe weather event affecting product output or the impact of regulatory change on a company's operations. Brigade's exposure to material climate-related risks and opportunities primarily lies within the investment portfolios. As highlighted in the Introduction, these risks may include myriad physical risks including but not limited to impaired assets of our corporate issuers, reputational risk associated with environmental-related actions or litigation, and supply chain risk. Several opportunities may include the ability to invest in climate adaptation and/or mitigation related technologies and investing in issuers with comparatively better ESG profiles than peers, thus potentially attracting more customers and greater revenue.

STRATEGY (CONTINUED)

Brigade does not presently conduct formal climate scenario analyses of its investment portfolios. However, as described within the Risk Management portion of this report, Brigade works with a third-party to assess potential physical risks of sampled holdings across several climate scenarios; the output of these assessments may inform engagement opportunities.

Brigade's exposure to climate-related risks and opportunities is relatively minimal at the firm-level. Brigade employees have the ability to work remotely if necessary and the firm conducts annual tests of the Disaster Recovery and Business Continuity Policies. At the firm-level, climate-related risks and opportunities are most likely to present themselves in the form of increased regulatory reporting requirements and increased investor reporting requests, which may carry regulatory risk and additional financial costs, respectively.

PORTFOLIO ASSESSMENT

In order to establish a position in Brigade's portfolios, each company must pass a qualitative screen which allows for ESG measures to be integrated on a line-by-line basis. Investment ideas must pass an investment screen, which includes research of both a quantitative and qualitative nature, before they are presented to the Investment Committee.

The Investment Team aims to assess each corporate issuer using the Brigade ESG Scorecard (the "ESG Scorecard"). The ESG Scorecard is made up of two sets of questions; the first, completed prior to investment, is a series of 5 high-level questions that are standard for every issuer. These initial questions cover ESG data transparency, ESG controversies, DEI, and MSCI data availability. Issuers can receive an above average, average or below average ranking. This is our preliminary assessment tool that can be used while data for the detailed scorecard is gleaned but does not carry the same weight in our evaluation as the next assessment.

The second and more detailed set of questions Brigade analysts have developed focuses on industry-specific criteria. Each industry carries more/fewer risks across the E, S, and G categories depending on the nature of its operations and what services or products it provides. For instance, financial companies will have more factors relating to social and governance issues and fewer relating to environmental issues.

Each response on this question set is given a rating of superior (+15), satisfactory (+5), lagging industry (-5) or weak (-15).

Once the responses to the ESG Scorecard are recorded, the points associated with each ranking are assessed using a weighted average. As previously noted, the scores for the E, S, and G categories will be weighted differently based on relevance. This final numeric score is then put on a 10-point scale and assigned a letter rating.

ESG Scorecards can be updated by analysts at any time over the course of their ongoing research coverage of an issue, but analysts aim to review ESG Scorecards at least annually for material changes. Often, updates are the result of quarterly calls with company management or separate engagement conversations.

In addition to the robust research process which creates a system of constant monitoring of portfolio credits, ESG factors are monitored through automated alerts and internal reporting. At the beginning of each month, each analyst receives an internal email detailing all MSCI rating or controversy flag changes for their covered issuers using an MSCI data feed to Brigade's proprietary systems. A full list of these changes is also reviewed by the ESG Committee. Additionally, on a quarterly basis, a sample set of portfolios/investments across our product offerings as well as two relevant indexes are assessed using MSCI ESG analytics and Brigade scores to determine the level of ESG risk associated with each. These reports include MSCI data coverage, MSCI ESG ratings, rating drivers, industry scores, and carbon footprint data such as financed emissions, WACI, and carbon intensity.

We believe that this reporting assists us in risk mitigation. We believe that lower emissions values can indicate a company's preparedness for a transition to a low-carbon economy and therefore carry a lower risk than peers with higher emissions values. We also look at the overall governance scores of portfolios which we believe can be an indication of a company's ability to mitigate physical and transition risks.

ESG Scorecard Summary

The matrix below details the score calculation based on the responses to Brigade’s ESG Scorecard.

	Issuer		Industry			
	Sample		Industrials			
	Environmental	Social	Governance	Overall		
Raw Score ¹	12.5	+ 10.0	+ 5.0	=	27.5	
Materiality Weight ²	40%	+ 45%	+ 15%	=	100%	
Weighted Average Score ³	5.0	+ 4.5	+ 0.75	=	10.25	
Rating ⁴	AAA	AAA	BBB	=	AAA	

Notes	Environmental	Social	Governance	Overall
	Our analyst notes an expansive ESG Policy. Most notably, the company has pledged net zero by 2050 and has reduced their emissions by 5% annually since their baseline 2017 values.	The company has positive relations with employee unions and tracks employee safety very closely.	While we believe the management team in place to be competent and successful, there is still a marked lack of diversity among higher management.	Overall, we believe this company to have very few ESG-related risks. We will continue to monitor this company as part of our ongoing research process.

Please see slide 29 for additional disclosures.
 This slide is provided for illustrative purposes only.
¹Raw scores are calculated based on the responses to Brigade’s ESG Scorecard. Each question on this question set is given a ranking of superior (+15), satisfactory (+5), lagging industry (-5) or weak rating (-15). Total raw score is out of 45 to -45.
²Each industry carries more/fewer risks across the E, S, and G categories depending on the nature of its operations and what services or products it provides. The materiality weight of each category has been dictated by Brigade and the Private Credit Team.
³E, S and G scores are multiplied by the corresponding materiality weighting which dictates the overall ESG score of an issuer.
⁴Normalized scores are then converted to a letter rating (AAA, AA, A, BBB, BB, B, or CCC).

Brigade Ratings

The Brigade Investment Universe

Brigade Bond Universe ESG Score Summary (12/31/2025) (Numeric scores are out of 10)

Overall Rating	Overall Score	E Score (Weight – 30%)	S Score (Weight – 37%)	G Score (Weight – 33%)	Coverage ¹
BBB	4.5	5.2	4.6	4.7	89%

Brigade Loan Universe ESG Score Summary (12/31/2025) (Numeric scores are out of 10)

Overall Rating	Overall Score	E Score (Weight – 26%)	S Score (Weight – 40%)	G Score (Weight – 34%)	Coverage ¹
BBB	4.5	4.7	4.4	4.6	90%

- Brigade produces a quarterly internal monitoring report to track the proprietary scores of our investments over time.
- Brigade scores assist us to highlight areas of potential risk or opportunities we may seek to focus on during future engagements.
- Issuers in the Brigade Investment Universe scored using the ESG Scorecard received an average rating of BBB as of 12/31/2025

The data is presented for the long exposure to bonds and loans across all of Brigade's funds (the "Brigade Bond Universe" and the "Brigade Loan Universe", respectively. Together, the "Brigade Investment Universe"). The data presented was prepared by Brigade using proprietary research gathered as part of our ESG Scorecard assessments. While all the information presented herein is believed to be accurate, Brigade makes no express warranty as to the completeness or accuracy. The historical portfolio construction should not be viewed as an indication that future construction will remain the same. Brigade may modify its portfolio characteristics and exposures at any time and in any manner that it believes is consistent with a fund/account's overall investment objective, in response to market conditions or other factors without notice to investors. No representation is being made that a portfolio will or is likely to achieve profits or losses. There can be no guarantee that a fund/account's investment objective will be achieved or that a fund/account will not suffer losses. Please refer to slide 29 for additional disclosures.

¹Please note that the Investment Team aims to perform a scorecard analysis for all corporate issuers.

RISK MANAGEMENT

Brigade seeks to control risk through a top-down approach, limiting the magnitude of potential capital losses. Risk is also controlled through Brigade’s investment process, which is bottom-up. Investment opportunities are assigned a relative risk ranking and compared against alternative investments. This risk ranking is determined by the following: asset coverage, free cash flow generation, credit ratings, liquidity, industry conditions, earnings outlook, and strength of management. This allows the Investment Team to compare the yield and total return potential of an idea relative to other ideas with a similar risk profile.

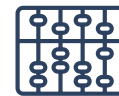
Brigade has historically employed a bottom-up fundamental credit research approach that considers both quantitative and qualitative factors as it assesses the ability of an investment to perform across business cycles and changing regulations. As a part of the overall investment decision-making process, Brigade considers material ESG factors in its fundamental research process which leverages external ESG data, in-house qualitative assessment, and engagement with management teams to identify potential material risk factors.

The risks associated with climate change are some of many criteria considered when establishing an issue’s risk ranking. The Investment Team may include these considerations into the pricing of new issues, to determine the size of a position, and to identify engagement topics and pathways. The ESG analysis conducted will vary from investment to investment, depending on factors such as the investment’s relevant asset class, industry, geography, and position within the capital structure.

Just as each characteristic of an investment helps determine which ESG issues are material, it also dictates the extent to which those material ESG issues are weighted in the investment process, how much time is spent on their consideration, and how relevant ESG data is obtained and evaluated.

Ultimately, ESG considerations inform our decision making, but it is important to note that this is one of many qualitative and quantitative inputs that go into our investment process, not a primary objective. Investments are regularly monitored for ESG-related risks through review of financials and other disclosures and through the engagement process.

There may be instances in which the identified ESG risk is appropriately reflected in the price of an issue. In this case, we may invest despite climate risk concerns and later seek to improve upon these through engagement. If a material risk is identified that is believed to impact a company’s long-term performance, the Investment Team will aim to directly raise the issue with the company’s management team or board of directors to help address the issue. The purpose of these engagement conversations is to better understand how potential ESG risks and opportunities are managed, among other issues. The process also allows the Investment Team to identify communication pathways to company management to establish and achieve sustainability initiatives and drive long-term growth. Brigade believes that, in general, companies with strong ESG programs/practices that address climate change have better governance structures and therefore carry less risk overall.



CLIMATE RISK ASSESSMENT

During 2025, Brigade performed a climate risk analysis to determine potential physical risks associated with our office locations and sampled portfolio holdings with the assistance of its ESG Consultant, ACA, and a third-party provider, Sust Global.

Climate Scenarios Introduction:

Sust Global covers climate scenario analysis following climate scenario definitions set forth from the Intergovernmental Panel for Climate Change - Coupled Model Intercomparison Project-Phase 6 IPCC CMIP6.

Climate Scenarios Definitions:

Strong Mitigation:

This scenario covers the optimal sustainable path, also referred to as the Green Road (SSP1-RCP2.6). It encompasses socioeconomic and representative emissions pathways consistent with a gradual and pervasive global shift towards a more sustainable future. Carbon emissions begin to decline around 2020 and global mean temperatures rise approximately 1.8°C by 2100, a key goal of the Paris Climate Agreement.

Middle of the Road:

This scenario covers a middle path, with challenges to climate mitigation (SSP2-RCP4.5). In this scenario, environmental systems experience degradation, and climate change worsens through the end of the century. In this scenario, overall emissions continue to rise through mid-century before beginning to decline. This is a likely scenario if governments and policy reflect a strong sense of urgency toward climate adaptation. Global mean temperatures rise approximately 2.4°C by 2100, but greater emissions raise the risk of tipping points.

High Emissions:

This scenario covers a future where the world continues on its current trajectory, also referred to as Fossil-Fueled Growth (SSP5-RCP8.5). Global markets are increasingly integrated and both total population and per-capita consumption increase. Emissions peak around 2090 and global mean temperatures rise approximately 4.3°C by 2100.

CLIMATE RISKS ASSESSED

Flooding

The probability of any flooding (both from precipitation-based inland flooding and from coastal flooding) at the asset location.

Heatwave

The count of days in a year greater than the 98th percentile of the historical daily high temperature at the asset location.

Sea Level Rise

The magnitude in increase of nearby sea levels in meters for coastal areas within 5km of asset location.

Cyclones

The probability of a cyclone (or hurricane) greater than category 2 at the asset location.

Wildfire

The probability of any fire within 1km of the asset location.



















Water Stress

The mean of (1) ratio of water withdrawals from aquifer-to-aquifer recharge and (2) standardized precipitation-evapotranspiration index (SPEI) drought index at the asset location.



















Risk Assessment - Scenario Analysis

Brigade has offices in New York and London. Brigade's physical office location results:

New York

	Strong Mitigation	Middle	High Emissions
Flooding			
Heatwave			
Sea Level Rise			
Cyclones			
Wildfire			
Water Stress			

London

	Strong Mitigation	Middle	High Emissions
Flooding			
Heatwave			
Sea Level Rise			
Cyclones			
Wildfire			
Water Stress			

 Low

 Medium

 High

Given that climate risk profiles are not expected to change significantly on a year-to-year basis, Brigade expects to conduct a physical risk assessment of its office locations on a bi-annual basis, the results shown above reflect the analysis of the physical office location results assessed in 2025. The findings above look at the maximum risk exposure to flooding in various climate scenarios over a projected 30-year window from 2025 to 2055. We will seek to refresh this analysis at least biennially. Please refer to slide 29 for additional disclosures.

Risk Assessment – Scenario Analysis



Both locations are projected to have low flooding risk exposure over the next 30 years across all assessed climate scenarios. During the prior assessment in 2023, the NY office was projected to be at high risk of flooding over the next 30 years.



Both locations are projected to have low heatwave risk exposure across most climate scenarios over the next 30 years. Heatwave risk decreases for the locations over shorter time horizons (5 and 15 years).



London is projected to have low sea level rise risk exposure across all climate scenarios over the next 30 years. While the current risk is moderate to high, sea level rise risk decreases significantly for New York over shorter time windows.



New York is projected to have high cyclone or hurricane risk exposure across all climate scenarios.



Both locations are projected to have low wildfire risk exposure over the next 30 years across all climate scenarios.



All locations are projected to have medium water stress risk exposure over the next 30 years. Risk exposure decreases over shorter time horizons. The assessed risk level for the NY location decreased during the 30-year window as compared to the prior assessment in 2023.

Transition Risk Assessment – Baytex

BACKGROUND

During 2025, Brigade conducted an exercise to evaluate an issuer within the portfolio for potential climate-related transition risks. Transition risk is the potential financial impact on companies from the societal shift to a low-carbon economy to mitigate climate change. Brigade's objective was to further explore the potential exposure to transition risks and how the resulting assessment may inform risk management and engagement processes.

The issuer chosen for the purpose of the exercise was Baytex; Brigade's intent was to focus on an issuer within the energy sector. Baytex is a publicly traded corporation headquartered in Calgary, Alberta. Baytex's assets include light-oil plays in Texas and the Alberta and Saskatchewan provinces of Canada, as well as heavy-oil plays in Alberta, Canada. A primary driver for this analysis is that heavy-oil projects are capital-intensive and have higher emissions per barrel than light oil, a large share of heavy-oil production increases exposure to carbon-pricing, technological and market risks. Baytex set a goal in 2019 to cut its greenhouse-gas (GHG) emissions intensity by 65% from a 2018 baseline by 2025 and was the process of developing further 2030 reduction targets. As of October 2025, Baytex was rated BBB by the Brigade internal scorecard analysis.

TRANSITION ASSESSMENT

Given the industry and geographies in which it operates, the assessment determined Baytex may be exposed to several transition risks, including the following:

Policy & Regulatory Risks:

Canada's Greenhouse Gas Pollution Pricing Act applies a carbon price on fuels. In 2024, the price is set at CAD \$80 per ton of CO₂e and is scheduled to rise to \$170 CAD per ton by 2030. Escalating carbon prices with inflation impacts to servicing costs may create direct and indirect cost pressures. As certain Baytex assets have high emissions intensity, carbon pricing may disproportionately impact these assets.

Draft Oil and Gas Sector Emissions Cap Regulations by the Canadian government propose a cap-and-trade system

that could come into force by 2030 – while details are still evolving; the cap could limit emissions volume from heavy-oil producers and require the purchase of emissions credits.

Market & Technology Risks:

Conservation measures, alternative fuel requirements and technological advances (e.g., electric vehicles, renewable energy, improved fuel efficiency) could reduce demand for oil and natural gas.

Reputational Risks:

Media coverage of climate change and the related challenges to the social value proposition of resource development can result in potential scrutiny of heavy oil operations, especially those using hydraulic fracturing; new regulations may also restrict or delay projects. Stakeholders increasingly expect companies to adopt transparent emissions reduction targets and credible transition plans. Baytex attempts to meet these expectations by maintaining an emissions database, reporting to the Carbon Disclosure Project (CDP) and setting reduction targets. However, a recent amendment to Canada's Competition Act led many companies, including Baytex, to remove environmental content from its website, creating potential uncertainty about how environmental claims can be communicated. Lack of public disclosures may harm trust with investors and communities.

Next Steps:

While we believe present risks to be mitigated by the overall risk/return profile of the issuer, transition risks, including, rising carbon prices, changing consumer and regulatory sentiment and transparency of disclosures are matters that Brigade may evaluate and/or conduct engagement on.

This case study is presented for information purposes in order to present examples of Brigade's preliminary analytical methods and approach to addressing climate risks. This assessment was performed separately from the general investment analysis or Brigade ESG Scorecard completion process. This information should not be construed as a performance record or as an indicator of future performance results. The case studies should not be considered a recommendation to purchase or sell any particular security. There can be no assurance that any securities discussed herein remain in the portfolios of accounts managed by Brigade or if sold will not be repurchased. The securities discussed in this presentation do not represent the entire portfolio of the relevant accounts and in the aggregate represent only a small percentage of overall portfolio holdings in such accounts. Prospective investors should not assume that any of the holdings discussed in this presentation have been or will be profitable, or that recommendations made in the future will be profitable or will equal the investment performance of the securities discussed herein. The above reflects Brigade's opinion at the time of the presentation and is subject to change at any time without notice. Please refer to slide 13 for additional disclosures. There is no guarantee that a particular engagement will achieve the desired outcome. The analysis and decisions of Brigade may differ from that of another party and are subject to change.

[2022-Baytex-TCFD-Report-FINAL.pdf](#)

ENGAGEMENT

If a material risk is identified that is believed to impact a company's long-term performance, the Investment Team will aim to directly raise the issue with the company's management team or board of directors to help address the issue. Brigade's stewardship activities are conducted as follows:

MONITORING

Investments are monitored for ESG-related risks that may arise as part of ongoing analyst coverage through review of financials and other disclosures and through the engagement process. If a material risk is identified that is believed to impact a company's long-term performance, the Investment Team will aim to directly raise the issue with the company's management team or board of directors to help address the issue.

ENGAGEMENT

Brigade believes that engagement in dialogue with companies about ESG-related disclosures can help the companies further enhance their knowledge of ESG risks and take action to reduce their negative environmental and social impacts. Brigade actively engages its portfolio companies, transaction partners, peers, and other stakeholders to advance the principles of responsible investment and corporate social responsibility. Brigade is dedicated to tracking engagements through collecting information on engagement activity outcomes, engagement topic case studies, and a summary of meaningful engagements including highlights of escalations and issuer-specific engagement objectives. Reporting on this engagement activity will be produced at least annually. The Investment Team engages with company management in conversations related to ESG practices and behaviors. The purpose of these conversations is to better understand how potential ESG risks and opportunities are managed, among other issues. The process also allows the Investment Team to identify communication pathways to company management to establish and achieve sustainability initiatives and drive long-term growth.

ESCALATION

If an identified material risk has been addressed through Brigade's engagement process and is believed to continue to have potential impact on a company's long-term performance, the Investment Team may seek to escalate engagement activity. Escalation timing and actions are left to the discretion of the analyst engaging with the entity, portfolio managers, and the Investment Committee. Escalation actions include but are not limited to divestment and, if applicable, the use of voting rights as detailed below. There may be situations in which the engagement topic's potential risk has been appropriately priced into an issue and no escalation is required.

PROXY VOTING

As a firm, Brigade believes that proxy voting is a source of leverage in encouraging appropriate corporate governance and policies. Where applicable and material, Brigade will consider the ESG voting guidance from a third-party source such as Institutional Shareholder Services (ISS), in addition to Brigade's internal research, to make its own decision regarding active votes for proposals put forward by the companies in which Brigade invests.

CONFLICTS OF INTEREST

Brigade is committed to regularly reviewing all conflicts of interest in its stewardship activities. In connection with this commitment, Brigade (with the assistance of outside compliance consultants) will review its business practices and operations on a periodic basis to identify potential conflicts and will document in writing how Brigade addresses each such conflict. Brigade has established the Conflicts of Interest Committee to assist in the resolution of material conflicts of interest.

2025 Engagement Activity

Analysts engaged with issuers on a wide range of environmental, social, and governance related topics.

FOCUS & THEMES

Data Transparency

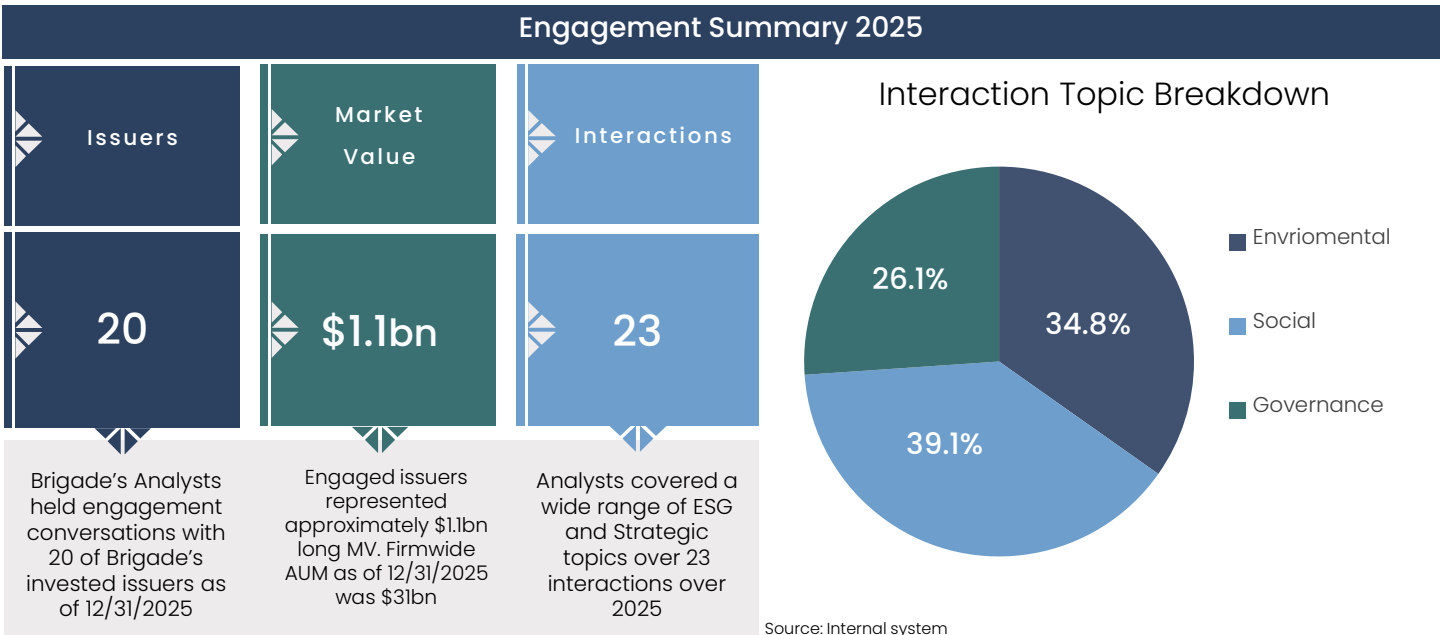
- We seek to encourage our portfolio companies to proactively disclose their ESG related policies and progress to investors. We believe it will become easier to accurately calculate ESG metrics, including financed emissions as more companies disclose, standardize calculations, and enhance ESG related reporting to investors.

The Environment

- We seek to identify and discourage business related activities that might increase climate-related risk factors, negatively impact the environment and/or contribute to climate change as part of our investment underwriting ESG monitoring process whenever material and applicable.

Strong Governance Practices

- We continue to focus on corporate governance policies, investor protections, strength of management and economic alignment of interests in our underwriting process . We believe high quality governance infrastructure will drive better risk adjusted returns over time.



Engagements referenced took place over the course of 2025 on a firmwide basis. Please see the disclosures located on the final page of this report

Case Study

Carbon Data Outreach

When Brigade became a PRI Signatory in 2020, we adopted the 6 aspirational principles of responsible investment. Among those principles, we believe the promotion of an entity's appropriate disclosure on ESG issues is of primary importance. Transparency is, in our view, a core tenant of sustainable investing. However, private credit is a space that is currently lacking in data coverage, transparency and disclosure compared to the public markets. Many companies are small and may lack the resources or ESG literacy to properly implement carbon reporting programs of their own. As participants in the private credit space, we are seeking to improve transparency and disclosure whenever possible.

We intend to address this initiative in two ways. The first method is our internal ESG Scorecard. The Private Credit Team (the "Team") aims to perform a scorecard analysis for all corporate issuers across our investments. ESG diligence begins at the initial screening stage where the Team will seek to identify key ESG related focus areas and potentially exclude any investments that carry, in the Team's view, material ESG risks/deficiencies as determined. The Team expects to identify such risks during the preliminary review of diligence materials, discussions with company management and/or review of publicly available information.

The second way we address this initiative is through active stewardship. Brigade's Private Credit Strategy (the "Strategy") follows the same general stewardship principles and approaches as laid out in the Brigade ESG Policy. Due to nuances in the composition and bilaterally-negotiated nature of positions in the Strategy, Brigade may occasionally have greater influence to effect change than it otherwise would in our other investments.

Where Brigade is an influential stakeholder (a distinction determined at the discretion of the Team either by the terms of the loan or the percentage of an issuer's enterprise value (including cash) or "EVIC" funded as part of an investment) the Team may seek to advance certain priorities during regular engagement with investees.

We acknowledge there may be instances in which companies may not have the resources to provide some of this information. If this occurs, the Team will seek to encourage such companies to allocate resources towards data gathering/transparency and other initiatives.

We believe that companies with strong sustainability planning practices in place tend to perform well over time compared with industry peers that do not. We believe such practices reflect strong governance structures, something we value greatly during the investment process.

One way issuers can demonstrate their dedication to sustainable practices is understanding their carbon footprints. This analysis can help to paint a broader picture of the company, its resources, supply chains and business operations. In an effort to again, promote data transparency, and to better understand the footprint of the investments, the Team contacted sponsors and/or company management of all investments in the Brigade Private Credit Fund's (the "Fund"). Each issuer/sponsor was provided a template to fill out for scope 1, 2 and 3 emissions as well as the reporting year, whether the estimate was assured and the source. Issuers were given approximately a month to respond to the query.

During this exercise, we were able to glean data covering approximately 30% of the portfolio (similar to the MSCI data coverage of our invested public loan universe). Issuers that did not currently track this data were asked to implement a carbon reporting plan and we will seek to follow up at least biennially or over the ongoing monitoring of our investments. Brigade has calculated its own carbon footprint for business operations and intends to do so in the future. We find the methodology used to calculate Brigade's carbon footprint to be accessible to companies of any size or level of resources.

The 2025 carbon footprint for the Fund will be estimated using data provided by Ethos. This may include, among other factors, proxied data based on the industry and size of the company. We will seek to compare values with those provided and may seek to share these values with issuers to compare or begin setting baseline values for future reporting plans.

This case study is presented for information purposes in order to present examples of Brigade's preliminary analytical methods and approach to addressing climate risks. This assessment was performed separately from the general investment analysis or Brigade ESG Scorecard completion process. This information should not be construed as a performance record or as an indicator of future performance results. The case studies should not be considered a recommendation to purchase or sell any particular security. There can be no assurance that any securities discussed herein remain in the portfolios of accounts managed by Brigade or if sold will not be repurchased. The securities discussed in this presentation do not represent the entire portfolio of the relevant accounts and in the aggregate represent only a small percentage of overall portfolio holdings in such accounts. Prospective investors should not assume that any of the holdings discussed in this presentation have been or will be profitable, or that recommendations made in the future will be profitable or will equal the investment performance of the securities discussed herein. The above reflects Brigade's opinion at the time of the presentation and is subject to change at any time without notice. Please refer to slide 29 for additional disclosures. There is no guarantee that a particular engagement will achieve the desired outcome. The analysis and decisions of Brigade may differ from that of another party and are subject to change.



Appendix

Our Carbon Footprint

The firm has performed analyses to understand the carbon footprint associated with Brigade’s business operations. Using a business travel log, commuter data, and electricity bills, we have calculated our firm’s carbon footprint annually, beginning in 2019, using the GHG Protocol and World Resources Institute’s GHG Emissions Tool. As we return to pre-Covid levels of travel and commuting, we have noted the normalization of our emissions values. Additionally, we experienced a general increase in business travel related to marketing activity as we prepared for the launch of our Private Credit Fund, among other projects. We continue to monitor our emissions with this annual analysis. We aim to reduce or offset this value whenever possible.

This year, 550 carbon offset credits were purchased to neutralize 2025 business operations emissions. Our donation has been allocated to a hydro project in Himachal Pradesh. The Hydro Electric Project by Gaur Hydro Power Pvt. Ltd (2 MW) and Gopal Hydro Power Pvt. Ltd. (1.5 MW) is a grid connected Hydro Electric Project (HEP).

Gaur Hydro employs 2 Units of 1 MW each on Kullu district in the state of Himachal Pradesh. Gopal Hydro employs 1.5 MW of hydro project at Kullu district.

This project will reduce Green House Gas (GHG) emission of 17,095 tCO₂/annum (170,951 tCO₂ in crediting period of 10 years) by harnessing clean energy instead of using fossil fuel based power.



Business Emissions ¹	2019 MTCO ₂ e	2021 MTCO ₂ e	2022 MTCO ₂ e	2023 MTCO ₂ e	2024 MTCO ₂ e	2025 MTCO ₂ e
Total Scope 1	0.0	0.0	0.0	0.0	0.0	0.0
Total Scope 2	100.1	81.3	131.6	129.3	136.0	143.0
Total Scope 3	274.3	138.8	303.7	322.1	272.6	398.4
Total Emissions	374.4	220.1	432.3	402.4	408.6	541.4

Project details: <https://registry.terra.org/app/projectDetail/VCS/2033>

¹Brigade’s carbon footprint was calculated by our ESG consultant, ACA, based on company electric bills, business travel itineraries and distances/modes of transportation taken by commuters. Due to the complex nature of calculating emissions, all values referenced should be viewed as estimates. Gold Standard is a firm that offers voluntary offset programming focused on progressing the United Nation’s Sustainable Development Goals (SDGs). Scope 2 emissions included purchased electricity for Brigade’s New York Office. Scope 3 emissions included business travel (air and rail) and employee commutes. For 2025 data covering Scope 3 business travel, to/from locations were available for the first time to be included within the calculation of emissions estimations. This allowed for further customization of emissions factors (US EPA and UK DEFRA) to be utilized across different categories of flights, resulting in an observed increase in estimated Scope 3 emissions; for applicable UK DEFRA emissions factors, “business class” has been used as a default where available.

Carbon Footprint: Investments

Brigade Investment Universe

Brigade Bond Universe

Carbon Footprint (12/31/2025)

Scope 1+2 Emissions (tons CO ₂ e)	Financed Carbon Emissions (tons CO ₂ e/\$m invested)	Scope 1+2 Coverage	WACI (Scope 1+2)	WACI (Scope 1+2) Coverage
1,176,256.8	123.3	79.5%	234.2	80.5%
Scope 3 Upstream Emissions	Financed Carbon Emissions	Scope 3 Coverage	WACI (Scope 3 Upstream)	WACI (Scope 3 Upstream) Coverage
1,385,446.5	145.3	79.1%	241.9	80.3%
Scope 3 Downstream Emissions	Financed Carbon Emissions	Scope 3 Coverage	WACI (Scope 3 Downstream)	WACI (Scope 3 Downstream) Coverage
3,979,555.0	417.3	79.1%	623.8	80.3%

Brigade Loan Universe

Carbon Footprint (12/31/2025)

Scope 1+2 Emissions (tons CO ₂ e)	Financed Carbon Emissions (tons CO ₂ e/\$m invested)	Scope 1+2 Coverage	WACI (Scope 1+2)	WACI (Scope 1+2) Coverage
1,142,281.9	82.1	30.5%	102.2	30.8%
Scope 3 Upstream Emissions	Financed Carbon Emissions	Scope 3 Coverage	WACI (Scope 3 Upstream)	WACI (Scope 3 Upstream) Coverage
1,960,960.4	141.0	30.3%	219.9	30.5%
Scope 3 Downstream Emissions	Financed Carbon Emissions	Scope 3 Coverage	WACI (Scope 3 Downstream)	WACI (Scope 3 Downstream) Coverage
3,051,231.9	219.4	30.3%	326.2	30.3%

- In an effort to provide increased transparency to our stakeholders, Brigade is continuing to disclose estimated carbon footprints for our invested universe.

- These estimates cover approximately 64% of Brigade's long exposure¹ across all investment vehicles.

- Data for the carbon footprint estimates was sourced from MSCI.

- Please refer to the next slide for details on each metric calculation.

The data is presented for the long exposure of the Brigade Investment Universe and is calculated using Enterprise Value Including Cash or EVIC. The data presented was prepared by Brigade using MSCI's ESG reporting. MSCI emissions data may include estimated values. Brigade does not currently have emissions reduction targets in place. While all the information presented herein is believed to be accurate, Brigade makes no express warranty as to the completeness or accuracy. The historical portfolio construction should not be viewed as an indication that future construction will remain the same. Brigade may modify its portfolio characteristics and exposures at any time and in any manner that it believes is consistent with a fund/account's overall investment objective, in response to market conditions or other factors without notice to investors. No representation is being made that a portfolio will or is likely to achieve profits or losses. There can be no guarantee that a fund/account's investment objective will be achieved or that a fund/account will not suffer losses. Please refer to slide 29 for additional disclosures.

¹It is important to note that while the data for all issuers was entered into the MSCI Analysis tool, not all issuers have emissions data coverage.

Please refer to slide 30 for additional disclosures.

Footprint Metrics on Investor Allocation Definitions

Financed Carbon
Emissions tons CO2e / \$M invested

Allocated emissions to all financiers (EVIC) normalized by \$m invested. Measures the carbon emissions, for which an investor is responsible, per USD million invested, by their equity ownership. Emissions are apportioned based on equity ownership (% market capitalization).

$$\frac{\sum_n^i \left(\frac{\text{current value of investment}_i}{\text{issuer's EVIC}_i} \times \text{issuer's Scope 1 and Scope 2 GHG emissions}_i \right)}{\text{current portfolio value (\$M)}}$$

Total Financed Carbon
Emissions tons CO2e

Allocated emissions to all financiers (EVIC). Measures the total carbon emissions for which an investor is responsible by their equity ownership. Emissions are apportioned based on equity ownership (% market capitalization).

$$\sum_n^i \left(\frac{\text{current value of investment}_i}{\text{issuer's EVIC}_i} \times \text{issuer's Scope 1 and Scope 2 GHG emissions}_i \right)$$

Financed Carbon Intensity
Emissions tons CO2e / \$M sales

Allocated emissions per allocated sales. Measures the carbon efficiency of a portfolio, defined as the ratio of carbon emissions for which an investor is responsible to the sales for which an investor has a claim by their equity ownership. Emissions and sales are apportioned based on equity ownership (% market capitalization).

$$\frac{\sum_n^i \left(\frac{\text{current value of investment}_i}{\text{issuer's EVIC}_i} \times \text{issuer's Scope 1 and Scope 2 GHG emissions}_i \right)}{\sum_n^i \left(\frac{\text{current value of investment}_i}{\text{issuer's EVIC}_i} \times \text{issuer's \$M revenue}_i \right)}$$

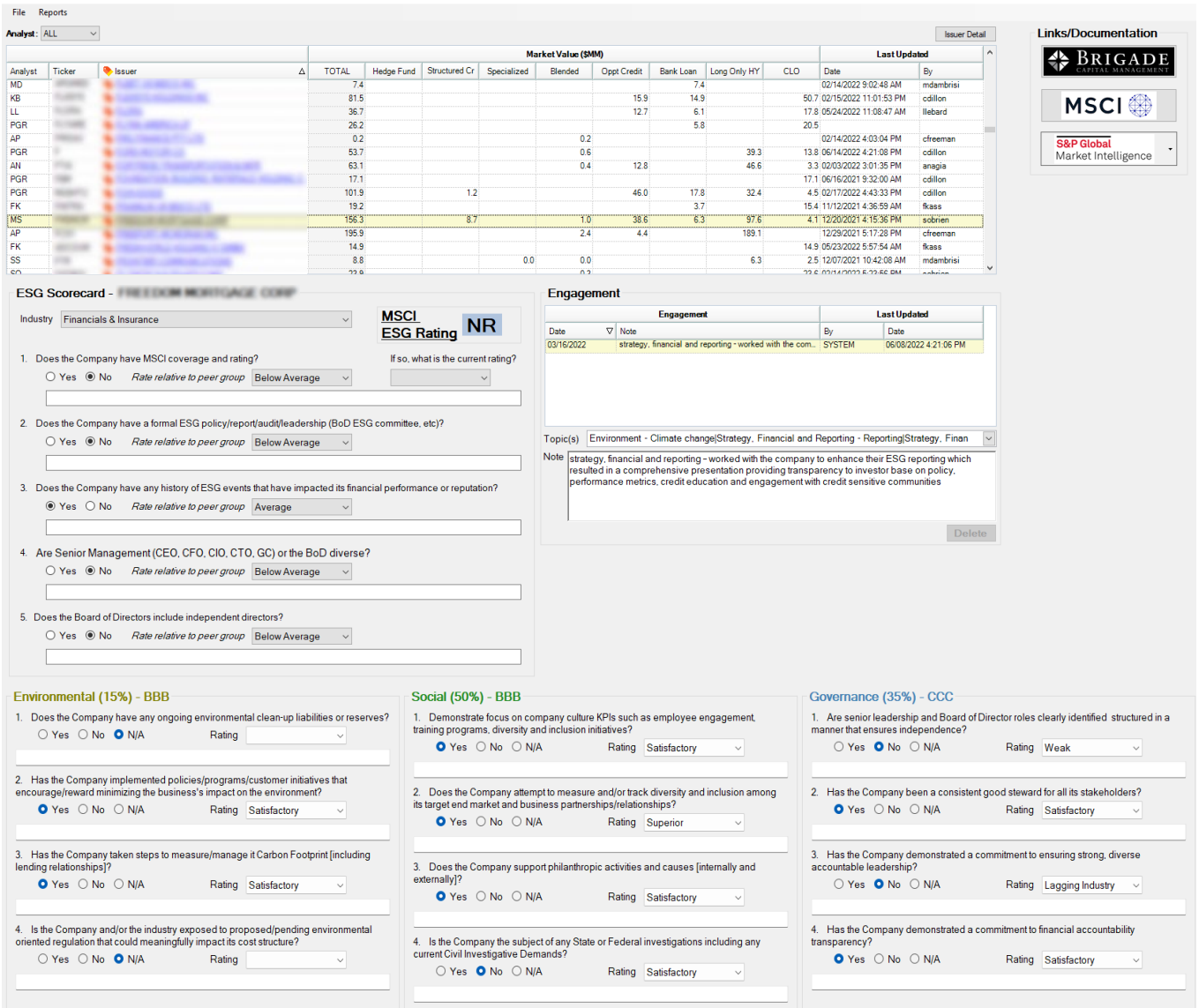
Weighted Average Carbon Intensity ("WACI")
Corporate constituents tons CO2e / \$M sales

Measures a portfolio's exposure to carbon-intensive companies, defined as the portfolio weighted average of companies' Carbon Intensity (emissions/sales).

$$\sum_n^i \left(\frac{\text{current value of investment}_i}{\text{current portfolio value}} \times \frac{\text{issuer's Scope 1 and Scope 2 GHG emissions}_i}{\text{issuer's \$M revenue}_i} \right)$$

ESG Scorecard Overview

Scorecards are completed and stored in a proprietary ESG Dashboard in our systems. A sample of this interface is show below:



The screenshot displays the ESG Scorecard interface. At the top, there is a navigation menu with 'File' and 'Reports'. Below it, a table lists various issuers with columns for Analyst, Ticker, Issuer, and Market Value (\$MM). The Market Value table includes sub-columns for Hedge Fund, Structured Cr, Specialized, Blended, Oppt Credit, Bank Loan, Long Only HY, and CLO. A 'Last Updated' column shows the date and time of the last update for each issuer.

The main section is titled 'ESG Scorecard - FREDERICK MORTGAGE CORP'. It features a dropdown for 'Industry' set to 'Financials & Insurance' and an 'MSCI ESG Rating' of 'NR'. Below this, five questions are listed, each with radio button options for 'Yes' or 'No', a 'Rate relative to peer group' dropdown, and a text input field. The questions are:

- Does the Company have MSCI coverage and rating? If so, what is the current rating?
- Does the Company have a formal ESG policy/report/audit/leadership (BoD ESG committee, etc)?
- Does the Company have any history of ESG events that have impacted its financial performance or reputation?
- Are Senior Management (CEO, CFO, CIO, CTO, GC) or the BoD diverse?
- Does the Board of Directors include independent directors?

To the right of these questions is an 'Engagement' module. It has a table with columns for 'Date', 'Note', 'By', and 'Date'. A note is visible: 'strategy, financial and reporting - worked with the com...'. Below the table, there is a 'Topic(s)' dropdown and a 'Note' text area with a 'Delete' button.

At the bottom, there are three sections for specific ESG metrics:

- Environmental (15%) - BBB**: Four questions about environmental liabilities, policies, carbon footprint, and regulatory exposure.
- Social (50%) - BBB**: Four questions about culture KPIs, diversity/inclusion, philanthropic activities, and civil investigations.
- Governance (35%) - CCC**: Four questions about leadership roles, stakeholder stewardship, accountability, and financial transparency.

- Issuers are shown by industry and analyst
- Scorecard 1, located on the middle left, is a standardized set of ESG criteria to evaluate all issuers
- Industry and credit-specific sets of ESG factors are used to measure, monitor, and engage on key E, S, & G metrics
- Links are directly embedded for easy access to external and internal research
- We have embedded an engagement module with many dropdown topic options to classify each conversation and track over time

BRIGADE'S ENGAGEMENT MODULE

Brigade's engagement module is built directly into the scorecard interface. Analysts have a wide range of topics to choose from to categorize these conversations and track them over time.

Engagement

Engagement		Last Updated	
Date	Note	By	Date

Topic(s)

Note

Engagement Prompts

- Entity engaged with
- Engagement theme/topic
- What you have done
- Outcomes and next steps

ENGAGEMENT TOPICS

ENVIRONMENTAL

- Climate change
- Natural resource use/impact (e.g. water, biodiversity)
- Pollution, Waste
- Antimicrobial Resistance

SOCIAL

- Conduct, culture and ethics (e.g. tax, anti-bribery, lobbying)
- Human and labor rights (e.g. supply chain rights, community relations)
- Human capital management (e.g. inclusion and diversity, employee terms, safety)
- Inequality
- Public health

GOVERNANCE

- Board effectiveness – Diversity
- Board effectiveness – Independence or Oversight
- Board effectiveness – Other
- Leadership – Chair/CEO
- Remuneration
- Shareholder rights

STRATEGY

- Capital allocation
- Reporting (e.g. audit, accounting, sustainability reporting)
- Financial performance
- Strategy/purpose
- Risk management (e.g. operational risks, cyber/information security, product risks)

ESG Disclosures

BRIGADE CONSIDERS ESG FACTORS IN ITS RESEARCH PROCESS FOR CERTAIN BUT NOT ALL INVESTMENT OPPORTUNITIES. BRIGADE IS UNDER NO OBLIGATION TO CONSIDER ESG FACTORS FOR ANY INVESTMENT OPPORTUNITY. FURTHER, TO THE EXTENT BRIGADE DOES ASSESS ESG FACTORS IN CONNECTION WITH AN INVESTMENT OPPORTUNITY, THE SCOPE OF THE ASSESSMENT WILL VARY FROM CASE TO CASE, AND IN ANY EVENT BRIGADE'S ESG ASSESSMENT WILL NOT BE A DISPOSITIVE FACTOR FOR ANY INVESTMENT DECISION. CERTAIN INVESTMENT OPPORTUNITIES BRIGADE CONSIDERS DO NOT LEND THEMSELVES TO THE CONSIDERATION OF ESG FACTORS.

BRIGADE HAS DEVELOPED INTERNAL POLICIES AND PROCEDURES TO FORMALIZE ITS ESG INTEGRATION PRACTICES AND PROPRIETARY SCORING SYSTEM (INCLUDING THE BRIGADE NEW ISSUE SCORE CARD). THE INFORMATION PRESENTED HEREIN IS INCLUDED MERELY SERVE AS AN EXAMPLE TO DEMONSTRATE HOW CERTAIN ESG FACTORS MAY BE INCORPORATED IN A MANNER CONSISTENT WITH ITS ESG INTEGRATION POLICIES AND PROCEDURES ("ESG POLICY"). THE INFORMATION PROVIDED HEREIN IS BASED ON MATTERS AND EXPECTATIONS AS THEY EXIST AS OF THE DATE OF PREPARATION AND NOT AS OF ANY FUTURE DATE AND WILL NOT BE UPDATED OR OTHERWISE REVISED TO REFLECT INFORMATION SUBSEQUENTLY DEVELOPED. BRIGADE'S ESG POLICY IS SUBJECT TO CHANGE AND ANY TIME AND SUCH CHANGES MAY IMPACT OR ALTER THE INFORMATION PROVIDED HEREIN. IN INSTANCES WHERE ESG FACTORS ARE CONSIDERED IN MAKING INVESTMENT DECISIONS, ESG WILL BE ONE OF MANY FACTORS CONSIDERED AND WILL BE PART OF THE TOTAL MIX OF INFORMATION USED TO MAKE THE INVESTMENT DECISION. IN ADDITION, THERE MAY BE INSTANCES WHERE ESG FACTORS HAVE NO IMPACT ON INVESTMENT DECISIONS MADE BY BRIGADE. LANGUAGE HEREIN RELATES TO CERTAIN ESG EXPECTATIONS OR INTENTIONS, NO ASSURANCE CAN BE GIVEN THAT SUCH EXPECTATIONS OR INTENTIONS WILL BE MET.

TAKING ESG FACTORS INTO CONSIDERATION MAY NOT IMPROVE, AND MIGHT DETRACT FROM, INVESTMENT PERFORMANCE OVER ANY PERIOD OF TIME. BY CONSIDERING ESG FACTORS IN INVESTMENT DECISIONS, BRIGADE MAY INVEST IN A MANNER THAT IT WOULD NOT OTHERWISE HAVE DONE IF ESG FACTORS WERE NOT CONSIDERED. MOREOVER, THERE MAY BE SITUATIONS WHERE BRIGADE DETERMINES TO MAKE A PARTICULAR INVESTMENT EVEN THOUGH BRIGADE DETERMINED THAT THE INVESTMENT IS UNFAVORABLE FROM AN ESG PERSPECTIVE.

BRIGADE MAY USE, AND RELY UPON, THIRD-PARTY PROVIDERS OF ESG SCORES, DATA, REPORTS AND RATINGS (E.G., MSCI) IN ITS RESEARCH PROCESS. BRIGADE WILL ONLY WORK WITH PROVIDERS THAT BRIGADE BELIEVES GENERATE RELIABLE AND ACCURATE INFORMATION, BUT SUCH INFORMATION MAY NOT IN ALL CASES BE RELIABLE AND ACCURATE.

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